

Action

Classification

Control: 2225

EIR

Rec'd: FEBRUARY 4, 1959

12:18 PM

Info

FROM: BONN

RMR

TO: Secretary of State

SS

NO: 1681, FEBRUARY 4, 3 PM

W

C

GP

C

INR

FX

E

DCL/C

SENT DEPARTMENT 1681 REPEATED INFORMATION FRANKFURT 69,  
DUESSELDORF 50, BREMEN 35, MUNICH 54, HAMBURG 458, STUTTGART  
34, BERLIN 538.

REF: EMBTEL 1675.

ALTHOUGH DEPT HAS RECEIVED REPORTS ON MANY OFFICIAL  
REPRESENTATIONS MADE BY EMB IN CONNECTION WITH DEVELOPING COAL  
CRISIS, A BRIEF REVIEW OF ACTIONS TAKEN MAY BE HELPFUL AT THIS  
TIME TO THE DEPT AND OUR GERMAN CONSULAR POSTS.

EMBASSY HAS BEEN IN CLOSE CONTACT WITH GERMAN OFFICIALS EVER  
SINCE COAL PROBLEM FIRST MANIFESTED ITSELF IN EARLY 1958.  
THROUGHOUT THIS PERIOD WE HAVE REGULARLY AND CONSISTENTLY  
BROUGHT TO ATTENTION OF FEDREP OFFICIALS AT ALL LEVELS SERIOUSNESS  
WITH WHICH COAL IMPORT RESTRICTIONS WOULD BE REGARDED IN  
U.S. RECORD IS MORE EXTENSIVE THAN OFFICIAL CONTACTS ON THIS  
SUBJECT IN RESPONSE TO DEPT'S INSTRUCTIONS WOULD INDICATE.  
IN CONTINUING INFORMAL CONTACTS WITH INDIVIDUAL MEMBERS OF  
ECON MIN AND FONOFF, WE HAVE LOST NO OPPORTUNITY OBTAIN  
INFORMATION ON PLANS OF FEDREP WITH RESPECT TO COAL OR TO  
INDICATE TO OFFICIALS OUR CONCERN OVER DEVELOPING SITUATION.

AS EARLY AS APRIL 1, 1958 (EMBTTEL 3019), WE POINTED OUT THAT  
INCREASING COAL STOCKS AND INDUSTRY AND LABOR PRESSURE MIGHT  
FORCE FEDREP TAKE SOME TYPE OF RESTRICTIVE ACTION.

ON APRIL 30, DR. GABRIEL HAUGE, PARTLY AT INSTIGATION OF EMB,  
MADE STRONG REPRESENTATION ON SUBJECT TO CHANCELLOR AND ERHARD.

THIS CABLE IS

1682

JUNE

REPRODUCTION FROM THIS  
COPY IS PROHIBITED  
UNLESS "UNCLASSIFIED"

~~CONFIDENTIAL~~

Classification

-2-, 1631, FEBRUARY 4, 3 PM, FROM BONN

JUNE 3 (EMBTTEL 3577) IN LONG DISCUSSION WITH WESTRICK, EMB OFFICER EXPLAINED AT LENGTH SERIOUS REPERCUSSIONS IN U.S. WHICH MIGHT FOLLOW RESTRICTIONS ON COAL IMPORTS.

SEPT 4 (EMBTTEL 536), WHEN INFORMED BY ERHARD OF FEDREP INTENTION SUSPEND GENERAL IMPORT LICENSING, AMB TOLD HIM THIS ACTION WOULD HAVE STRONG IMPACT IN U.S.

SEPT 6 (EMBTTEL 556), IN ABSENCE OF CHANCELLOR, DEPT'S VIEWS ON SUSPENSION OF LICENSING (DEPTTEL 482) WERE GIVEN BOTH TO KATTENSTROTH ECON MIN AND HARKORT, FONOFF, BY EMB OFFICERS WITH REQUEST THAT CHANCELLOR BE INFORMED OF U.S. REACTIONS. AGAIN U.S. CONCERN OVER TREND OF DEVELOPMENTS WAS EXPRESSED.

SEPT 17 (EMBTTEL 669) EMB OFFICERS SAW WESTRICK IN RESPONSE DEPTTEL 539 AND CALLED ATTENTION TO FEDREP GATT OBLIGATIONS AND ELEMENTS OF DISCRIMINATION IN PLANS AT THAT TIME NOT TO INTERFERE WITH POLISH EXPORTS.

OCT 21 (D-622), INFORMED FEDREP THAT U.S. ACCEPTED INVITATION CONSULT ON COAL RESTRICTIONS UNDER ART XIX OF GATT (DEPTTEL 772).

OCT 29 (D-695), CERTIFICATION PROCEDURE AND OTHER MATTERS WERE DISCUSSED WITH ECON MIN OFFICIALS AND U.S. INTEREST EXPRESSED IN POSSIBLE IMPACT ON U.S. COAL CONTRACTS.

NOV 25 (D-819), EMB OFFICERS MET WITH KATTENSTROTH TO ASK ABOUT SIGNIFICANCE OF DEVELOPMENTS IN CHANCELLOR'S MEETING WITH GUTERMUTH. THEY STRESSED ADVERSE EFFECT REPORTED ACTIONS WOULD HAVE ON U.S. IMPORTS.

NOV 26 (D-826), SET DATE FOR CONSULTATIONS PURSUANT ART XIX GATT.

DEC 8 (EMBTTEL 1206), WHEN VON BRENTANO AND WESTRICK TOLD AMB OF CABINET DECISION TAKE FURTHER STEPS ABOUT IMPORTS, AMB AGAIN TOLD THEM OF PROBABLE SERIOUS REACTION IN U.S.

DEC 9 AND 10 (EMBTTELS 1210 AND 1230), DURING CONSULTATIONS UNDER ART XIX, GENERAL OVERALL PROBLEM AND POSSIBLE MEASURES

TO RESTRICT

~~CONFIDENTIAL~~



-3-, 1681, FEBRUARY 4, 3 PM, FROM BONN

TO RESTRICT U.S. IMPORTS WERE DISCUSSED IN GREAT DETAIL. EMB OFFICERS CONTINUED TO EXPRESS U.S. CONCERN ABOUT RESTRICTIONS OF ANY TYPE UPON IMPORTS.

DEC 15 (EMBTTEL 1262), THREE POSSIBLE SOLUTIONS COAL IMPORT PROBLEM UNDER CONSIDERATION BY FEDREP DESCRIBED BY KATTENSTROTH. FEDREP SAID FAVOR COMMERCIAL NEGOTIATED SETTLEMENT CONTRACTS.

DEC 16 (EMBTELS 1286 AND 1288) TRIMBLE SAW ERHARD PURSUANT INSTRUCTIONS DEPT 1245 AND ALSO REVIEWED WITH HIM POINTS MADE BY AMERICAN COAL LEADERS CONTAINED DEPTTEL 1276.

DEC 20 (EMBTTEL 1321), IN RESPONSE DEPTTEL 1297 AND IN ABSENCE CHANCELLOR, ERHARD AND WESTRICK, TRIMBLE TOLD ACTING STATE SECY DITTMAN THAT PROPOSAL LIMIT U.S. IMPORTS CONSTITUTED MOST SERIOUS PROBLEM U.S.-GERMAN RELATIONS THAT HAD ARISEN IN YEARS.

DEC 22 (EMBTTEL 1330) EMB OFFICERS IN DISCUSSION WITH KATTENSTROTH REITERATED FUNDAMENTAL OBJECTIONS TO ANY SOLUTION WHICH ATTEMPTED THROUGH IMPORT RESTRICTIONS SHIFT BURDEN TO U.S. INDUSTRY.

JAN 7 (EMBTTEL 1423) TRIMBLE AND TASCA CALLED ON ERHARD AND PRESENTED IN DETAIL VIEWS SET FORTH DEPTTEL 1297.

JAN 17 (EMBTTEL 1519) EMB OFFICER IN CONVERSATION WITH KATTENSTROTH DISCUSSED INTEREST IN FEDREP PROGRAM RE MARGINAL MINES AND EXPRESSED NEED SEEK SOLUTION COAL PROBLEM OTHER THAN THROUGH IMPORT RESTRICTIONS.

JAN 27 (EMBTTEL 1599) NOTE DELIVERED TO WESTRICK, ECON MIN, COPY TO VON SCHWEINITZ, FONOFF, PER DEPTTEL 1619.

JAN 29 (EMBTTEL 1624) 60-DAY DELAY FEDREP IMPORT PROGRAM REQUESTED AT FONOFF AND IN CONVERSATION WESTRICK PURSUANT DEPTTEL 1643.

JAN 30 (EMBTTEL 1629) IN BUNDESTAG DEBATE GOVT CRITICIZED BY

SPD

~~CONFIDENTIAL~~

4, 1681, FEBRUARY 4, 3 PM, FROM BONN

SPD FOR FAILURE RECOGNIZE SERIOUSNESS SITUATION AND TAKE REMEDIAL ACTION EARLY 1958.

FEB 3, AMBASSADOR SAW CHANCELLOR AND TASCA SAW ERHARD AND WESTRICK, CONCERNING REQUEST FOR 60-DAY SUSPENSION COAL RESTRICTIONS PURSUANT DEPTTEL 1676.

IN ADDITION, ON NUMEROUS OCCASIONS, DURING CONVERSATIONS DEALING PRIMARILY WITH OTHER MATTERS, AMBASSADOR, TRIMBLE AND TASCA HAVE SPOKEN TO ERHARD ABOUT ADVERSE U.S. REACTIONS TO BE EXPECTED, AND AMBASSADOR HAS DONE SAME TO CHANCELLOR. IT WAS ONLY AFTER GREAT RELUCTANCE ON ERHARD AND CHANCELLOR'S PART AND AFTER SHARP CRITICISM FOR INACTION DECISION WAS REACHED ON DOMESTIC POLITICAL GROUNDS.

BRUCE

MJT/22

~~CONFIDENTIAL~~